

HOUSE BILL No. 1932

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-34-3-5; IC 20-1-6-14.1; IC 20-8.1-6.1-8; IC 20-8.1-9; IC 20-10.1; IC 21-1-30; IC 21-3.

Synopsis: Flexible grants for schools. Creates a grant program for elementary and secondary schools that combines the money appropriated for various individual programs. Permits the school corporation to determine the allocation of the money among the various programs that were formerly funded with specific grants. Repeals the following existing specific grants: (1) ADA flat grant. (2) Alternative schools grant. (3) Computer learning and training. (4) Early intervention and reading recovery. (5) Education services centers. (6) Education technology and the 4Rs program. (7) Gifted and talented education. (8) Innovative school improvements. (9) Primetime. (10) Professional development grants. (11) Remediation, excluding testing.
(Continued next page)

Effective: July 1, 1999; July 1, 2000.

Espich

January 26, 1999, read first time and referred to Committee on Ways and Means.



C
o
p
y

(12) School libraries. (13) Special education preschool. (14) Summer school. (15) Technical preparation programs. (16) Textbook and financial assistance reimbursement. Authorizes school corporations to use the newly created general grant for the following: (1) Alternative schools. (2) Class size reduction. (3) Computer learning and training. (4) Early intervention and reading recovery. (5) Education services center support. (6) Gifted and talented children. (7) Professional development. (8) Remediation. (9) School improvements. (10) School libraries. (11) Special education preschool. (12) Summer school. (13) Technology programs. (14) Textbooks and financial assistance. (15) The 4Rs program.

C
o
p
y



Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1932

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-34-3-5 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2000]: Sec. 5. The following amount from the
3 fund shall be allocated annually to the technology grant plan program
4 established under IC 20-10.1-25.3 for the following purpose: Fifteen
5 million dollars (\$15,000,000) for technology ~~plan grants to school~~
6 ~~corporations under IC 20-10.1-25.3.~~ **improvements at school**
7 **corporations.** The department of education shall develop a plan for
8 funding all school corporations within a six (6) year cycle. The total
9 technology grant amount to a qualifying school corporation is the
10 amount determined by the department multiplied by the school
11 corporation's ADM. The amount may not exceed two hundred dollars
12 (\$200).

13 SECTION 2. IC 20-1-6-14.1 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14.1. (a) ~~The budget~~
15 ~~agency and the division shall develop a funding mechanism to provide~~

1999

IN 1932—LS 7981/DI 58+



~~preschool special education.~~ Beginning with the 1991-92 school year, each school corporation shall provide each preschool child with a disability with an appropriate special education. ~~However, this subsection is applicable only if the general assembly appropriates state funds for preschool special education.~~

(b) A school corporation may act individually, in a joint school services program with other school corporations as described in section 3 of this chapter, or upon approval by this division through contractual agreements entered into between a school corporation and a qualified public or private agency that serves preschool children with disabilities.

(c) The Indiana state board of education shall adopt rules under IC 4-22-2 governing the following:

- (1) The extent to which a school corporation may contract with another service provider as permitted under subsection (b).
- (2) The nature of the contracts.
- (3) The approval procedure required of the school corporation under subsection (b).
- (4) Other pertinent matters concerning these agreements.

SECTION 3. IC 20-8.1-6.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) As used in this section, the following terms have the following meanings:

- (1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

- (2) "ADM" ~~means the following:~~

~~(A) For purposes of allocating to a transfer student state distributions under IC 21-1-30 (primetime); "ADM" as computed under IC 21-1-30-2.~~

~~(B) For all other purposes, "ADM" as has the meaning set forth in IC 21-3-1.6-1.1.~~

- (3) "Pupil enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the Indiana state board of education.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the Indiana state board of education.



However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) a student.

(4) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized instruction program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

The Indiana state board of education may select a different date for counts under subdivision (3). However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 3 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other pupil count in which the student is included:

(i) ~~Primetime~~ Grants under ~~IC 21-1-30~~ **IC 21-3-12**.

(ii) Tuition support for basic programs and at-risk weights under IC 21-3-1.7-8 (before January 1, 1996) and only for basic programs (after December 31, 1995).

(iii) Enrollment growth grant under IC 21-3-1.7-9.5.

(iv) At-risk grant under IC 21-3-1.7-9.7.

(v) Academic honors diploma award under IC 21-3-1.7-9.8.



(vi) Vocational education grant under IC 21-3-1.8-3.

(vii) Special education grant under IC 21-3-1.8 (repealed January 1, 1996) or IC 21-3-10.

~~(viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).~~

(B) For school years beginning after June 30, 1997, property tax levies.

(C) For school years beginning after June 30, 1997, excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) For school years beginning after June 30, 1997, allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure which is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined



under the rules adopted by the Indiana state board of education; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the pupil enrollment of each class in the transferee corporation compared to the total pupil enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by

(2) the pupil enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of pupil attendance, the transfer tuition shall be calculated by the portion of the school year for which the transferred student is enrolled. A school year of pupil attendance consists of the number of days school is in session for pupil attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. Where an agreement cannot be reached, the amount shall be determined by the Indiana state board of education, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

(1) the total amount of revenues received; by

(2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state distributions under ~~IC 21-1-30; IC 21-3-10; or any other~~ a statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the pupil count used to compute the state distribution.



(h) In lieu of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. This contract is for a maximum period of five (5) years with an option to renew, and may specify a maximum number of pupils to be transferred and fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 9 of this chapter.

(i) If the school corporation can meet the requirements of IC 21-1-30-5, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may be for one (1) year or longer and may fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 9 of this chapter. A school corporation may not transfer a student under this section without the prior approval of the child's parent or guardian.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.

SECTION 4. IC 20-10.1-4.6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5. The program organizer may request the approval from the department for the following:

(1) To receive the grant for alternative education programs under IC 21-3-11;

(2) to be granted waivers from rules adopted by the state board that may otherwise interfere with the objectives of the alternative education program, including waivers of:

(A) (1) certain high school graduation requirements;

(B) (2) the length of the student instructional day as set forth in IC 20-10.1-2-1(b);

(C) (3) required curriculum and textbooks;

(D) (4) teacher certification requirements; and

(E) (5) physical facility requirements.

SECTION 5. IC 20-10.1-17-1.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1.8. As used in this chapter, "program" refers to the remediation grant program established under this chapter.

SECTION 6. IC 20-10.1-17-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4.5. (a) The



remediation ~~grant~~ program is established to provide grants to school corporations for the following:

(1) Remediation of students who score below state proficiency standards.

(2) Preventive remediation for students who are at risk of falling below state achievement standards.

(3) For students in a freeway school or freeway school corporation who are assessed under a locally adopted assessment program under IC 20-5-62-6(7):

(A) remediation of students who score below proficiency standards under the locally adopted assessment program; and

(B) preventive remediation for students who are at risk of falling below achievement standards under the locally adopted assessment program.

(b) The department shall ~~do the following~~:

~~(1) Subject to section 5.5 of this chapter, develop a formula to be approved by the state board of education, reviewed by the state budget committee, and approved by the budget agency for the distribution of grants to school corporations.~~

~~(2) Distribute grant funds according to the formula.~~

~~(3) Determine standards for remediation programs to be funded under the program.~~

~~(4) administer the program.~~

SECTION 7. IC 20-10.1-17-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7.5. (a) The governing body of a school corporation may establish a remediation program or a preventive remediation program under this chapter for all students who fall below the educational proficiency standards described in IC 20-10.1-16. ~~The governing body shall spend money under this chapter for direct remediation or direct preventative remediation services for students.~~

(b) If the governing body decides to establish a remediation program or a preventive remediation program under this chapter, the governing body must:

(1) subject to subsection (c), determine the type of program that best fits the needs of the students of the school corporation; and

(2) adopt guidelines for:

(A) procedures for determining student eligibility for a program; and

(B) implementation of the program.

(c) If the governing body decides to offer a preventive remediation program, the program shall give consideration to including a reading



recovery program.

SECTION 8. IC 20-10.1-22-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) The types of initiatives for which money appropriated to the program may be utilized include the following:

(1) Conducting feasibility studies concerning the following:

(A) Mandating ~~full-day~~ **full day** or ~~half-day~~ **half day** kindergarten programs.

(B) Choice of enrollment programs.

(C) Establishing magnet schools.

(2) An evaluation of P.L.390-1987(ss).

(3) Exploring different or expanded testing methods.

(4) An evaluation of ~~the primetime program under IC 21-1-30:~~ **reducing pupil teacher ratios.**

(5) Administering pilot programs concerning school academic readiness factors of students in kindergarten and grades 1 and 2.

(6) Studying the implications of offering preschool programs for special education students.

(7) Conducting the student services programs under IC 20-10.1-23.

(8) The Indiana writing project.

(b) The evaluation of P.L.390-1987(ss) and ~~the primetime program~~ **reducing pupil teacher ratios** described in subsection (a)(2) and (a)(4) shall be conducted by an entity other than the department under a contract entered into by the department.

(c) The student services programs under subsection (a)(7) shall be funded under the program based upon criteria approved by the department. The programs must include a study of:

(1) the role of the public school guidance counselor; and

(2) the guidance counselor proficiency statements developed under P.L.342-1989(ss), SECTION 39, as approved by the department.

SECTION 9. IC 20-10.1-25-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) The educational technology program and fund ~~is~~ **are** established for the purpose of providing and extending educational technologies to elementary and secondary schools. ~~for:~~ **The program consists of:**

(1) the 4R's technology ~~grant~~ program to assist school corporations (on behalf of public schools) in purchasing technology equipment:

(A) for kindergarten and grade 1 students, to learn reading, writing, and arithmetic using technology;



(B) for students in all grades, to understand that technology is a tool for learning; and

(C) for students in kindergarten through grade 3 who have been identified as needing remediation, to offer daily remediation opportunities using technology to prevent those students from failing to make appropriate progress at the particular grade level;

(2) providing educational technologies, including computers in the homes of students;

(3) conducting educational technology training for teachers; and

(4) other innovative educational technology programs.

(b) ~~The department may also utilize~~ Money in the fund **may only be used by the department** under contracts entered into with the Indiana department of administration and the state data processing oversight commission to study the feasibility of establishing an information telecommunications gateway that provides access to information on employment opportunities, career development, and instructional services from data bases operated by the state among the following:

(1) Elementary and secondary schools.

(2) Institutions of higher learning.

(3) Vocational educational institutions.

(4) Libraries.

(5) Any other agencies offering education and training programs.

(c) The fund consists of:

(1) state appropriations;

(2) private donations to the fund;

(3) money directed to the fund from the corporation for educational technology under IC 20-10.1-25.1; or

(4) any combination of the amounts described in subdivisions (1) through (3).

(d) The program and fund shall be administered by the department.

(e) Unexpended money appropriated to or otherwise available in the fund for the department's use in implementing the program under this chapter at the end of a state fiscal year does not revert to the state general fund but remains available to the department for use under this chapter.

(f) Subject to section 1.2 of this chapter, a school corporation may use money from the school corporation's capital projects fund as permitted under IC 21-2-15-4 for educational technology equipment.

SECTION 10. IC 20-10.1-25-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1.2. (a) Notwithstanding any other law and beginning July 1, 1993, a school



corporation is not entitled to:

- (1) ~~receive any money under this chapter or IC 20-10.1-25.1;~~
- (2) use money from the school corporation's capital projects fund for educational technology equipment under IC 21-2-15-4; or
- (3) (2) receive an advance from the common school fund for an educational technology program under IC 21-1-5;

unless the school corporation develops a five (5) year technology plan.

(b) Each technology plan must include at least the following information:

- (1) A description of the school corporation's intent to integrate technology into the school corporation's curriculum.
- (2) A plan for providing inservice training.
- (3) A schedule for maintaining and replacing educational technology equipment.
- (4) A description of the criteria used to select the appropriate educational technology equipment for the appropriate use.
- (5) Other information requested by the department after consulting with the budget agency.

(c) The department shall develop guidelines concerning the development of technology plans. The guidelines developed under this subsection are subject to the approval of the governor.

SECTION 11. IC 20-10.1-25.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) The superintendent of public instruction shall appoint a special assistant for technology. The person appointed under this section serves at the pleasure of the superintendent of public instruction.

(b) The person appointed under this section must be experienced in the integration of educational technology initiatives, infrastructure management and support, and applied research into effective educational practices available to students and educators in the classroom. The superintendent is encouraged to conduct a nationwide search for the best available talent to fill the position required by this section.

(c) The person appointed under this section shall coordinate the duties and functions of the department and the council under the following:

- (1) IC 20-10.1-25 (student technology program).
- (2) This chapter.
- (3) ~~IC 20-10.1-25.3 (technology grants);~~
- (4) Any other law concerning educational technology or telecommunications.

SECTION 12. IC 21-3-12 IS ADDED TO THE INDIANA CODE



AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 1999]:

**Chapter 12. State Flexible Grant for Elementary and Secondary
Education**

**Sec. 1. Each school corporation is entitled to receive a grant
from appropriations made for distribution under this chapter to
use for one (1) or more of the following programs:**

- (1) Alternative schools.
- (2) Class size reduction.
- (3) Computer learning and training.
- (4) Early intervention and reading recovery.
- (5) Education services center support.
- (6) Gifted and talented children.
- (7) Professional development.
- (8) Remediation.
- (9) School improvements.
- (10) School libraries.
- (11) Special education preschool.
- (12) Summer school.
- (13) Technology programs.
- (14) Textbooks and financial assistance.
- (15) The 4Rs program.

**Sec. 2. Money distributed under this chapter may not be used
for the following:**

- (1) Athletics.
- (2) Base salaries for school personnel.
- (3) To determine:
 - (A) the maximum permissible general fund ad valorem
property tax levy under IC 6-1.1-19-1.5; or
 - (B) tuition support under IC 21-3-1.6;
 for a school corporation.

**Sec. 3. (a) The grant amount for a state fiscal year for each
school corporation is the product of:**

- (1) the appropriation for distribution under this chapter for
the state fiscal year divided by the total statewide ADM for
the state fiscal year; multiplied by
- (2) the school corporation's ADM.

**(b) The distributions shall be made to school corporations at the
same time state tuition support distributions are made.**

**SECTION 13. THE FOLLOWING ARE REPEALED [EFFECTIVE
JULY 1, 1999]: IC 20-8.1-9; IC 20-10.1-16-11; IC 20-10.1-17-5.5;
IC 20-10.1-17-6.5; IC 20-10.1-25-2.1; IC 20-10.1-25-4;**



1 IC 20-10.1-25.1-6; IC 21-1-30; IC 21-3-4.5; IC 21-3-11.

С
о
р
у

